

TKK/USA

TKK/USAO#2009R00599

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA :
v. : CRIMINAL NO. _____
 : (Wire Fraud, 18 U.S.C. § 1343)
DAVID WEHRS, SR. :
 : ...0000000...

INFORMATION

The United States Attorney for the District of Maryland charges that:

At all times relevant:

1. **DAVID WEHRS, SR.** (“WEHRS”) was a resident of Annapolis, Maryland and the owner of Maryland Title & Escrow Co., Inc. (“Maryland Title”), a Maryland corporation that performed real estate settlements. In a typical real estate settlement, Maryland Title would receive funds from a lending institution for the purchase or re-finance of a property and agree to disburse those funds to various other parties in the transaction, including to the lending institution holding the prior mortgage. Maryland Title was responsible for ensuring that the funds were disbursed in accordance with the settlement sheet.

2. **WEHRS** controlled various financial accounts in the name of Maryland Title, including, among others, bank accounts at Commerce First Bank (“Commerce First”) located in Maryland and at least one brokerage account at Terra Nova Financial LLC located in Chicago, Illinois.

3. From around 2002 through the summer of 2009, **WEHRS** was licensed as a mortgage broker, owned Maryland Title, and operated a small home remodeling company called

Show-Me. **WEHRS** was not registered as a broker or an investment adviser with the Securities and Exchange Commission or with the State of Maryland during that time.

4. Chicago Title is a title insurance company that contracts with title companies performing real estate settlements as its agent to issue title insurance in real estate settlements. As part of that agency relationship, Chicago Title agrees to pay claims made against title companies. Maryland Title was an agent of Chicago Title and issued title insurance on its behalf. Chicago Title paid claims made by lending institutions against Maryland Title.

THE CHARGE

5. From approximately 2007 to October 2009, **WEHRS** devised and intended to devise a scheme and artifice to defraud and to obtain money and property from various investors and lending institutions, by means of materially false and fraudulent pretenses, representations, and promises, and executed the scheme and artifice to defraud by transmitting and causing to be transmitted wire communications in interstate commerce.

SCHEME AND ARTIFICE TO DEFRAUD

6. It was part of the scheme and artifice to defraud that **WEHRS** identified potential investors and induced them to invest money through Maryland Title into a purported FDIC insured money market fund that **WEHRS** “guaranteed” would pay monthly interest payments of 10.85 percent.

7. It was further part of the scheme and artifice to defraud that **WEHRS** presented to some of the investors a document that represented that the money would be placed in the “American Funds Fixed Rate Money Market,” that the accounts were “insured,” and that the money market was “FDIC insured.”

8. It was further part of the scheme and artifice to defraud that **WEHRS** deposited

investor funds into one of two bank accounts he controlled in the name of Maryland Title at Commerce First Bank.

9. It was further part of the scheme and artifice to defraud that instead of investing the funds into an FDIC-insured money market fund as represented, **WEHRS** then wire transferred a large portion of these investor funds to a brokerage account in the name of Maryland Title at Terra Nova Financial LLC located in Chicago, Illinois.

10. It was further part of the scheme and artifice to defraud that **WEHRS** then used the money to “day trade.” Day trading is the rapid buying and selling of securities throughout the day in the hope that the stocks will continue climbing or falling in value for the seconds to minutes that they are owned, allowing a person to lock in quick profits. During the pendency of the scheme and artifice to defraud, **WEHRS** conducted millions of dollars of stock trades per month.

11. It was further part of the scheme and artifice to defraud that in addition to using investor funds to day trade, **WEHRS** used some of the investor funds to: (1) pay “monthly interest” to other investors; (2) pay “redemptions” to other investors; (3) pay expenses of his other businesses, including his home improvement company, Show-Me, (4) make escrow payments for his title company; (5) buy real estate and personal property; (6) pay for other personal expenses; and (7) make credit card payments.

12. It was further part of the scheme and artifice to defraud that when **WEHRS** had no money left in his personal bank accounts or day trading accounts to pay interest payments due to the various investors, he used funds in the amount of \$630,611.84 earmarked to pay lending institutions for mortgage payoffs from his escrow account at Maryland Title to pay investors.

13. It was further part of the scheme and artifice to defraud that **WEHRS** used \$100,000 from the Maryland Title escrow account that was earmarked as earnest money for the purchase of a

home to pay interest payments to investors, causing a loss of \$100,000 to JB.

14. It was further part of the scheme and artifice to defraud that **WEHRS** caused the following losses to the following victims:

Victim	Loss
JB	\$210,000
JB and BB	\$195,000
RM	\$30,000
LR	\$1,055,000
LS	\$25,000
JS and BS	\$35,000
CT	\$130,450
SW	\$60,000
	Total: \$1,740,450
Chicago Title	\$630,611.84
	Total: \$2,371,061

15. On or about July 14, 2008, in the District of Maryland, the defendant,

DAVID WEHRS, SR.

for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully transmit and cause to be transmitted by means of wire communication in interstate commerce a wire transfer in the amount of \$140,000 from a Maryland Title Commerce First bank account in Maryland to a Maryland Title brokerage account at Terra Nova Financial LLC, Chicago, Illinois.

18 U.S.C. § 1343.

2/1/10
Date

Rod J. Rosenstein
Rod J. Rosenstein
United States Attorney